



# PORT OF PASCAGOULA

Web Site: [www.portofpascagoula.com](http://www.portofpascagoula.com)

*Mississippi's Largest Port*

JACKSON COUNTY  
PORT AUTHORITY

## Port of Pascagoula

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April 21, 2008

Mr. Donald Silawsky  
Office of Petroleum Reserves (FE-47)  
U.S. Department of Energy  
1000 Independence Ave., S.W.  
Washington, DC 20585-0301

Re: Scoping for the SPR EIS

Dear Mr. Silawsky:

The Jackson County Port Authority was created by the Mississippi legislature in 1957 with the responsibility for building and operating public port facilities, serving as the non-federal sponsor for the federal navigation project, and fostering industrial development through the operation of industrial parks and the Jackson County Industrial Water System. Because the construction and operation of the Strategic Petroleum Reserve at the Richton site has the potential to have substantial impact upon all three of our operational areas, the following comments are submitted for your consideration and clarification.

The Port Authority, as operator of the Industrial Water System, has been issued permit number MS-SW-00121 to withdraw up to 99.9712 million gallons of water per day from the Pascagoula River when the stream-flow is above the established minimum and provided a minimum downstream flow of 1030 cu. ft./second is maintained. This water, treated and untreated, is used in the operations of several important industries in the Bayou Casotte area, including Mississippi Power, Chevron, Mississippi Phosphates, First Chemical Corp., BP Amoco, Gulf LNG, and the public port facilities. Although average daily withdrawal does not come close to approaching the maximum allowed, previous instances of low water flow on the river required a backup plan to ensure delivery to the users. Accordingly, the Port Authority entered into an agreement with the Pat Harrison Waterway District in 2003 to provide for the release of water from the Okatibbee Creek Reservoir in Lauderdale County, MS as coordinated with the MS Dept. of Environmental Quality, US Army Corps of Engineers, and PHWD/JCPA. The Port Authority pays PHWD an annual retainer and fees as outlined in the agreement for any water released.

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1) Please explain how the water withdrawal for the Richton project shall be conducted so as not to diminish JCPA's permitted amounts nor so diminish water flow as to cause a release request to PHWD to maintain required minimum flows.

As non-federal channel sponsor and pursuant to Section 59-9-17, MS Code of 1972, the Port Authority is responsible for funding the local share of federal project costs as mandated by the Water Resources Development Act of 1986 and coordination of waterway traffic utilization to benefit the shipping public. As part of the EIS's prepared for the Gulf and Casotte Landing LNG projects, a waterway suitability assessment was performed to determine the waterway's suitability to accommodate the additional traffic associated with the proposed facilities. This seems to be a prudent step to take with respect to the proposed DOE terminal as well.

2) Please clarify the expected marine traffic volume and its impact on present vessel movement as well as suitability of physical characteristics of the waterway to accommodate the additional vessels. If waterway modifications are required, please identify the funding source. Please confirm that pipelines crossing the channel will not impede navigation at present dimensions of width and depth and will be relocated at the DOE's expense if required for future channel expansion.

The proposed terminal locations, while more suitable than the initially-proposed Singing River Island terminal, have conditions that need to be addressed by the DOE. In Option A, the tank farm and access to the berthing area is shown through Port land on Greenwood Island. This land is under a DEQ closure order and leased by Signal International, a marine company that repairs and modifies offshore drilling rigs. Additionally, the west side of Greenwood Island is in a conservation easement.

For Option B, the tank farm location, while on Chevron property, blocks the access road to the Bayou Casotte Dredged Material Management Site, Gulf LNG terminal, and the proposed berthing area itself. In addition, the berthing area is located in state-owned tidelands that are leased to the Port Authority and subleased to Gulf LNG through the year 2079. Public property adjacent to the deepwater channel is scarce, and the Port Authority is tasked with obtaining highest and best use for every acre. Signal International on Greenwood Island and Gulf LNG are valuable tenants to the Port whose future growth should not be impeded by other development of their leased land.

3) With the foregoing conditions present at their respective proposed locations, please explain for both "A and B" options how the tank farm portions may be located inland, since sufficient property adjacent to the channel is not available. Please clarify how the construction and operations of the proposed berths will be handled so not to adversely impact the current tenants. Please explain how the berths' impact on created and preserved wetlands will be addressed.

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Finally, we understand the period of time to fill the Richton site is expected to be approximately ten years. Bearing in mind that the Port's interest is in maximizing the utilization of its property in a manner compatible with adjacent users, and assignment of your leasehold interest will be subject to Port Authority and Secretary of State approval at the time requested, please elaborate on the proposed use of the berth after the Richton site is filled.

Thank you for the opportunity to comment on this project and we look forward to receiving your responses. If additional information is required, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'M.L. McAndrews', with a long horizontal flourish extending to the right.

M.L. McAndrews  
Port Director

cc: Jackson County Board of Supervisors